Government of Saskatchewan

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Weekly Hog Report

August 25, 2014

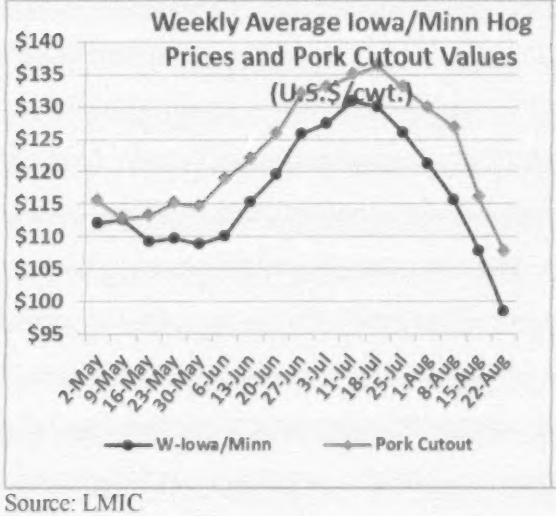
Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued to trend lower last week, ending lower week-over-week. Hog prices on Friday averaged US$95.30 per cwt, down US$8.36 per cwt or 8.1 per cent from US$103.66 per cwt the previous Friday. The negotiated base price for the week averaged US$98.48 per cwt, down US$9.29 per cwt or 8.6 per cent from US$107.77 per cwt the previous week. Hog prices continued lower on seasonal weakness with lower pork cutout values.

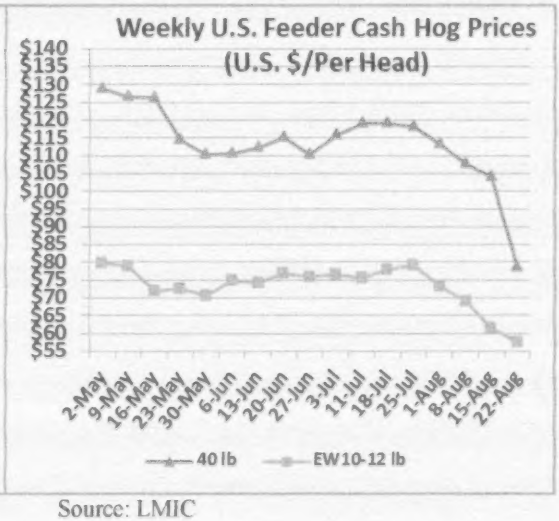
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday August 22, 2014 was $192.27 per ckg, down $17.27 per ckg or 8.2 per cent from $209.54 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $199.03 per ckg, down $21.82 per ckg or 9.9 per cent from the previous weeks' average price of $220.85 per ckg. The Canadian dollar closed Friday at 91.37 cents, down 0.47 cents from the previous Friday close of 91.84 cents.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices continued lower last week on seasonal weakness, with big declines on feeder hog prices. Last week weighted average cash prices for iso-weans (12lb) were US$57.49 per head, down US$4.16 per head from US$61.65 per head the previous week. Feeders (40lb) were US$78.59 per head, down a staggering US$25.31 per head or 24.4 per cent from US$103.90 per head the previous week.



Source: LMIC

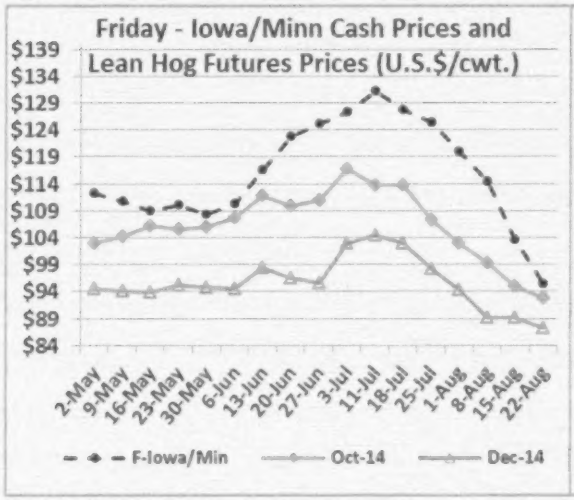


Source: LMIC

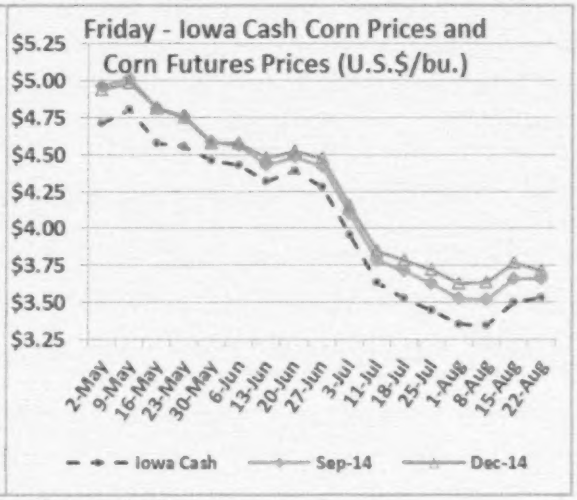
Futures Markets

Lean hog futures prices were lower last week with the October contract declining US2.075 per cwt to settle Friday at US$92.875 per cwt, while the December contract declined US$1.900 per cwt to settle Friday at US$87.150 per cwt.

Agriculture commodity futures markets were mostly lower from the previous week with nearby corn, wheat, crude oil and gold futures lower, while September soybean futures prices rebounded higher, week-over-week.



Source: CME



Source: CME

Iowa cash corn prices edged higher last week increasing 3 cents per bushel to end Friday at US$3.53 per bushel. The September corn futures contract was down less than a cent to settle Friday at US$3.65½ per bushel, while the December corn futures contract was down over 5 cents to settle Friday at $3.71½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week ending August 23 were estimated at 1.991 million head, down 1.3 per cent from 2.017 million head the previous week, and down 9.6 per cent from 2.204 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending August 23 averaged 1.949 million head, down 7.6 per cent from 2.110 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 16, 2014 were estimated at 396,127 head, up 10.1 per cent from 359,824 head the previous shorter holiday week, and up 4.2 per cent from 380,046 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending August 16 were estimated to average 383,170 head, up 0.8 per cent from 379,985 head over the same period a year ago. Year-to-date, hogs slaughtered in Canada have totaled 12.857 million head, down 0.7 per cent from the same period a year ago.

Meat Production

U.S. pork production for week ending August 23 was estimated at 424.0 million lb., down 1.3 per cent from 429.7 million lb. the previous week, and down 5.3 per cent from 447.5 million lb. the same week a year ago. Pork production over the last four weeks ending August 23 was estimated to average 415.2 million lb., down 3.1 per cent from 428.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 23 was estimated at 477.0 million lb., up 2.5 per cent from 465.5 million lb. the previous week, but down 5.9 per cent from 506.8 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 16, 2014, was estimated at 1.931 billion lb., down 1.4 per cent from 1.959 billion lb. over the same four weeks a year ago, and down 1.9 per cent year-to-date.

United States Weekly Meat Production

(Aug. 16) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	417.5	408.4	-2.2%	-0.5%
Beef	500.8	463.2	-7.5%	-5.5%
Chicken	906.3	925.7	2.1%	-0.3%
Turkey	134.3	133.4	-0.7%	-4.2%
Total	**1,958.9**	**1,930.7**	**-1.44%**	**-1.91%**

Source: LMIC

Cutout Values

The U.S. pork cutout values for the week ending August 23, 2014 averaged US$107.54 per cwt, down US$8.46 per cwt or 7.3 per cent from US$116.00 per cwt from the previous week, but up 6.7 per cent from US$100.79 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending August 23 averaged US$251.96 per cwt, down U$5.39 per cwt or 2.1 per cent from the average price of US$257.35 per cwt from the previous week, but up 28.8 per cent from US$195.66 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on Friday August 22. The United States' pork stocks in cold storage totaled 529.2 million lb. on July 31, 2014, down 1.5 per cent from 537.4 million lb. on June 30, 2014, and down 2.7 per cent from 543.7 million lb. on July 31, 2013.

The U.S. beef stocks in cold storage totaled 366.5 million lb. on July 31, 2014, up 2.3 per cent from 358.2 million lb. on June 30, 2014, but down 20.8 per cent from 462.6 million lb. on July 31, 2013.

Chicken in cold storage totaled 612.6 million lb. on July 31, 2014, up 7.5 per cent from 569.7 million lb. on June 30, 2014, but down 12.9 per cent from 703.7 million lb. on July 31, 2013. Turkey in cold storage totaled 491.1 million lb. on July 31, 2014, up 7.0 per

cent from 459.1 million lb. on June 30, 2014, but down 15.5 per cent from 581.4 million lb. on July 31, 2013.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 1.999 billion lb. on July 31, 2014, up 3.9 per cent from 1.924 billion lb. on June 30, 2014, but down 12.7 per cent from 2.29 billion lb. on July 31, 2013.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**July 31, 2013**	**June 30, 2014**	**July 31, 2014**
Pork	543,668	537,447	529,250
Beef	462,597	358,171	366,549
Chicken	703,665	569,696	612,605
Turkey	581,357	459,136	491,116
Total Combined	**2,291,287**	**1,924,450**	**1,999,520**

Source: NASS

Canadian Hog Inventory

Statistics Canada released the July 1, 2014 hog inventory numbers last week. Total inventory of hogs in Canada for July 1, 2014, was estimated to be 12,935,000 head, up 1.3 per cent from 12,765,000 head on July 1, 2013.

The Canadian market herd inventory on July 1, 2014, was estimated at 11,713,200 head, up 1.4 per cent from 11,551,200 head on July 1, 2013. The Canadian breeding herd, consisting of sows and bred gilts, was estimated at 1,198,600 head on July 1, 2014, up 0.7 per cent from 1,190,600 head on July 1, 2013. (Source: Statistics Canada)

In Saskatchewan, total hog inventory as of July 1, 2014, was estimated to be 1,135,000 head, up 6.1 per cent from 1,070,000 head on July 1, 2013. Sow and bred gilt inventory as of July 1, 2014, was 96,400 head, up 5.9 per cent from 91,000 head a year ago. Sow numbers have rebounded as idled sow barns are being repopulated with strong hog prices.

According to Statistics Canada data, the total number of pigs born in Canada during the first half (January-to-June) of 2014 was estimated at 15,210,000 head, down 1.2 per cent from the first half of 2013. In Saskatchewan the number of pigs born in the first half of 2014 was estimated at 1,206,000 head, down 6.1 per cent from the first half of 2013.

In Canada, the number of sows bred to farrow in the second half (July-to-December) of 2014 is estimated at 1,281,100 head, up 1.4 per cent from 1,263,700 head over the same period in 2013. In Saskatchewan, the number of sows bred to farrow in the second half of 2014 is estimated at 103,400 head, up 2.9 per cent from 100,500 head during the second half of 2013.

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